GOVERNMENT OF INDIA
INFORMATION TECHNOLOGY
LOK SABHA

UNSTARRED QUESTION NO:1625
ANSWERED ON:28.11.2001
CONFERENCE ON I.T. SECTOR
PUTTASWAMY GOWDA;RUDRAGOUDA PATIL

Will the Minister of INFORMATION TECHNOLOGY be pleased to state:

(a) whether the Honourable Chief Minister of Karnataka had urgedin an I.T. Ministers Conference that the I.T. Sector shouldnot be exposed to any taxation; and

(b) if so, the response of the Union Government in this regard ?

Answer

MINISTER OF PARLIAMENTARY AFFAIRS, INFORMATION TECHNOLOGYAND COMMUNICATIONS (SHRI PRAMOD MA

(a): Yes, Sir.

(b): As regards the customs duty exemption in respect of IT products covered by the Information Technology Agreement (ITA-1), a number of items are already exempt from basic customs duty. On others, the duty will be reduced to zero in a phased manner. With regard to the issue of excise duty on IT products the Government has not found it feasible to exempt all IT products from excise duty. Export profits from IT exports are tax exempt under the Income Tax Act.